



DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
WASHINGTON, DC 20380-0001

MCO 7000.19
FD
7 Sep 1988

MARINE CORPS ORDER 7000.19 W/CH 1

From: Commandant of the Marine Corps
To: Distribution List

Subj: Marine Corps Nonappropriated Fund (NAF) Investment
Policy

Ref: (a) SECNAVINST 7000.25, Financial Management, Oversight
and Audit of the Nonappropriated Fund (NAF)
Investment Program
(b) DOD 1401-1M
(c) SECNAVINST 5300.22A (NOTAL)
(d) Treasury Financial Manual 6-9000 (NOTAL)
(e) MCO 5370.3E

Encl: (1) Authorized Investments and Restrictions
(2) Matrix of Investment Characteristics
(3) Sample Collateralization Letter
(4) Collateral Notice (TFS Form 5900)

Report Required: Status of Nonappropriated Fund Deposits (MWR
Form 1) (Report Control Symbol MC-7000-09),
par. 3g (4)

1. Purpose. This instruction amplifies and implements the NAF investment policies prescribed by the Secretary of Defense and augmented by reference (a) and assigns Marine Corps-wide responsibilities for financial management, collateralization, oversight, and audit of the NAF investment program.

2. Applicability. This Order applies to all nonappropriated fund investments for military and civilian morale, welfare, and recreation (MWR) activities, except retirement funds. Policies pertaining to the management, investment and administration of retirement plans are contained in reference (b), the DOD Personnel Policy Manual for Nonappropriated Fund Instrumentalities (NAFIs) and reference (c), the Navy and Marine Corps Personnel Policy Manual for Nonappropriated Fund Instrumentalities.

3. Policy

a. General. Nonappropriated funds may be invested only as provided for in enclosure (1). The size of the investment program must not exceed the projected need to fund otherwise unfunded MWR requirements. Funds will not be accumulated solely for the investment income. However, cash assets in

excess of immediate operational needs will be invested as soon as possible after receipt.

b. Risk. Each MWR activity will exercise caution to ensure the protection of funds invested. The most important factor to consider in evaluating any investment is risk. Holding any investment exposes you to some degree of risk. Higher yields often mean longer maturities, more risk and less liquidity. It is important to be informed about the different investment alternatives available so that the return is maximized without accepting unnecessary risk or loss of liquidity. Investments authorized by enclosure (1) generally carry low levels of risk.

c. Liquidity. An asset is said to be liquid if it can be converted into cash easily and rapidly without substantial loss in value. Liquidity is not an absolute property; it varies from asset to asset. MWR activities must have access to their funds when needed to meet operational or planned program requirements; therefore, investments must be readily convertible to cash. The maturity on investments will be limited generally to 36 months. Investments up to 63 months are authorized provided that they are in support of a capital improvement program. Documentation must be on file to substantiate the existence of the capital improvement program.

d. Yield. In an effort to maximize the expected return on funds within the constraints of ensuring security and providing necessary liquidity, prudent action must be exercised to pursue yields of at least equivalent rates of return on portfolios of similar low risk cash management funds. This objective is secondary to the risk and liquidity objectives.

e. Investment Planning. An investment program plan (strategy) will be formulated prior to investing funds. Emphasis must be placed on fund allocation when constructing the investment portfolio. Fund allocation is the process of distributing monies among the various types of investments: treasury bills; certificates of deposit; bonds; repurchase agreements; etc. This process requires a realistic assessment of the degree of risk that the MWR entity is willing to accept commensurate with the rate of return they wish to earn. In order to minimize interest rate fluctuations, activities must employ a hold-to-maturity strategy. Avoidance of loss of capital requires that investment instruments not be prematurely sold or cashed out; therefore, the maturity of instruments should be matched with anticipated funding requirements to the maximum extent possible. The investment plan should also incorporate the subjective aspects of risk/return management that dominate rational planning without losing sight of the fact that (1) increases in expected return are accompanied by increases in risk and (2) investors should diversify to reduce risk.

Characteristics of investment instruments are illustrated in enclosure (2) and are provided as guidance in investment selection.

f. Investment of MWR NAF's are limited to funds that are not required in the day-to-day operation. Under no circumstances will commitments or obligations be executed that would place the investment portfolio in a leveraged position; i.e., borrowing funds for the purpose of investment. Forward commitments are permitted only if they can be settled by maturing funds which can be delivered by the settlement date.

g. Collateralization. Funds shall not be maintained in a bank, savings association, or credit union unless they are insured by the applicable Federal insurer, or notice is received that the financial institution has pledged the necessary collateral with the appropriate Federal Reserve Bank (FRB) or its designee:

(1) Collateral for checking and savings accounts and time deposits should cover 110 percent of the last quarter's average daily balance in excess of the \$100,000 insured limitation.

(2) Insured Limitation. Investment of funds in accounts for several NAFI's are limited to \$100,000 unless records are maintained to show the balance for each NAFI. If multiple coverage is desired, records must reflect daily changes in amounts for each NAFI having an interest in the account; and in all cases, the records must be available within 3 working days.

(3) The use of letters of credit from regional Federal Home Loan Banks in lieu of collateralizing certificates of deposits (CD's) with Government securities, as required by the Secretary of Defense, are authorized. These letters of credit do not rank as high as Government collateral in case of liquidation and, therefore, must not be used for that purpose.

(4) The CMC (MW) will coordinate with financial institutions and the servicing FRB to obtain collateral to protect uninsured balances of NAF accounts, when requested to do so by commanders. Commands will be advised of pledges of collateral so obtained. Procedures for securing and pledging of collateral are contained in reference (d) and are to be followed without exception. Whenever collateral is required, field MWR activities will forward a letter to the CMC (MW) with the name and address of the main office of the financial institution and the dollar amount of the collateral/additional collateral needed to cover the increase in deposits. The CMC (MW) will forward a letter to the main office of the financial institution in the format shown in enclosure (3) with a copy to the FRB. The FRB will complete the collateral notice, TFS Form 5900 (enclosure (4)), and forward a copy to the MWR activity concerned and a copy to the Funds Flow Division of the U.S. Treasury. Upon receipt of the collateral notice (TFS Form 5900), the MWR activity will ensure that the collateral

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pledged is at least equal to the amount required as prescribed in paragraph 3g(1) above.

(5) Commanders will report semiannually, within 20 working days after the end of the period (as of 30 April and 31 October) to the CMC (MW) on the status of deposits over \$100,000 in insured institutions and the nonappropriated fund bank accounts under your jurisdiction. This semiannual report, Status of Nonappropriated Fund Deposits (MWR Form 1), is assigned Report Control Symbol MC-7000-09. This report must contain the following information:

(a) The name and location of the depository bank or banks in which NAF accounts of the command are carried.

(b) A list of organizational accounts in each bank, showing the highest balance during the prior 6 months and the estimated maximum balance for the following 6 months. Accounts not in excess of \$100,000 in insured institutions are not to be listed, provided they are not expected to exceed \$100,000 in the following 6 months.

(6) Special or interim reports shall be made at such time as actual aggregate balances have exceeded or appear likely to exceed the estimate previously reported, in order that an additional pledge of collateral may be obtained. Similarly, if there is a substantial decrease in aggregate balances to the extent to permit the release of collateral, the CMC (MW) shall be notified.

(7) The CMC (MW) is responsible for obtaining collateral on field monies invested by Headquarters under the combined investment program.

h. Documentation. New account documentation, disclosure statements, and customer agreements determine the contractual and legal obligations between parties. Transaction confirmations and monthly statements reflect the actual transaction entered into and provide the best way to insure accuracy and prevent errors in an account. It is the responsibility of HQMC MWR investment program managers and field commanders to set up procedures for the review and retention of account documentation, customer agreements, disclosure statements, transaction confirmations, and monthly account statements.

4. Responsibilities

a. The CMC (M) is responsible for establishing MWR policy and procedures and for the overall management of matters relating to MWR programs and activities, including investments.

b. The CMC (FD) is responsible for all policy matters relating to oversight of financial management of the MWR investment program.

c. In fulfilling these responsibilities:

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(1) The CMC (M) will ensure that the Director, Marine Corps Morale, Welfare and Recreation Support Activity:

(a) Establishes and maintains adequate systems of internal control that provide reasonable assurance that the policies set forth herein are complied with.

(b) Provides accurate and timely reporting of investment status and data to the HQMC investment steering committee which is appointed by the Chairman of the MWR Policy Review Board.

(c) Appoints qualified investment officers and/or assistants as needed.

(d) Prepares and presents, at least annually, an investment plan (strategy) for approval to the MWR Investment Steering Committee and the MWR Policy Review Board prior to authorizing funds to be invested. The plan shall identify the projected requirements for which the funds are being invested. Such annual plan will be modified as internal and/or market conditions require.

(e) Establishes a system to review, evaluate, and track the investment portfolio performance.

(f) Briefs the MWR Policy Review Board quarterly on the status of investments.

(g) Ensures that the procurement of investment instruments is conducted on a competitive basis. This process, at a minimum, requires obtaining multiple telephonic quotes and rotation among qualified bidders to assure:

1 Maximum yields subject to risk evaluations and forecasted cash position.

2 Equitable treatment of bidders. All bids and consummated transactions will be documented.

(h) Provides NAF investment service to field commands as required; maintains records to reflect all pertinent information concerning the investments; determines investment earnings; and provides information on a monthly basis to the NAF's concerned.

(i) Ensures the preparation and review of DD Form 1555s per reference (e) all personnel involved in the MWR investment authorization and execution process.

(2) Field activity commanders will:

(a) Establish and maintain adequate systems of internal control that provide reasonable assurance that the applicable policies set forth herein are complied with for locally held investments.

(b) Establish an investment steering committee and appoint competent membership (which should include the activity comptroller) on an ad-hoc basis.

(c) Review and approve, at least annually, an investment plan (strategy) prior to authorizing funds to be invested. The plan should identify the projected requirements for which the funds are being invested. Such annual plan will be modified as internal and/or market conditions require.

(d) Establish a system to review, evaluate, and track the investment portfolio performance.

(e) Notify depositories in writing that the CMC is the successor in interest to bank accounts, savings and investment accounts.

(f) Ensure that the procurement of investment instruments is conducted on a competitive basis. This process, at a minimum, requires obtaining multiple telephonic quotes and rotation among qualified bidders to assure:

1 Maximum yields subject to risk evaluations and forecasted cash position.

2 Equitable treatment of bidders. All bids and consummated transactions will be documented.

(g) Ensure the preparation and review of DD Form 1555's per reference (e) for all personnel involved in the investment authorization and execution process.

(h) Require an annual review and/or analysis of investment funds to include an evaluation of internal controls and followup on corrective action taken as a result of independent audits. (It is suggested that the review be performed by the command internal review staff).

5. Action. Addressees shall:

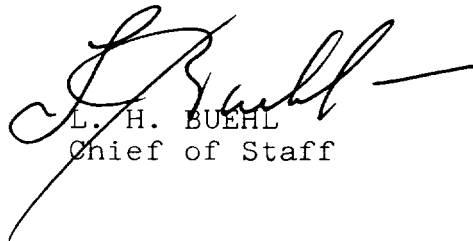
a. Take immediate action to implement the requirements of this Order.

b. Develop and issue detailed standing operating procedures for investments, outlining specific duties and responsibilities which ensure continued compliance with this Order.

c. Records Disposition. Records relating to nonappropriated fund investments for military and civilian morale, welfare, and recreation activities. Included are annual investment plans, status of deposits, letter requesting collateral/additional collateral needed to cover the increase in deposits, etc.

Retention period: 3 years

6. Reserve Applicability. This Order is not applicable to the Marine Corps Reserve.



L. H. BUEHL
Chief of Staff

DISTRIBUTION: A

Copy to: 8145001



DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
WASHINGTON, DC 20380

MCO 7000.19 Ch 1
FDR-50/fmd
9 May 1989

MARINE CORPS ORDER 7000.19 Ch 1

From: Commandant of the Marine Corps
To: Distribution List

Subj: Marine Corps Nonappropriated Fund (NAF) Investment
Policy

Encl: (1) New page inserts to MCO 7000.19

1. Purpose. To transmit new page inserts to the basic Order.
2. Action. Remove pages 3 and 4 and replace with pages 3 and 4 contained in the enclosure.

A handwritten signature in cursive script, reading "E T Comstock", is positioned above the typed name and title.

E. T. COMSTOCK
Fiscal Director
of the Marine Corps

DISTRIBUTION: A

Copy to: 8145001

AUTHORIZED INVESTMENTS AND RESTRICTIONS

Investments of nonappropriated funds are limited to the following:

1. Banks. Demand deposits accounts, interest bearing checking accounts, savings accounts, and certificates of deposit to the amount insured by the Federal Deposit Insurance Corporation (FDIC) or Federal Savings and Loan Insurance Corporation (FSLIC) or pledge of collateral with the appropriate Federal Reserve Bank or its designee.

2. Savings Associations. Checking accounts, share accounts, and certificates of deposit to the amount they are insured by FDIC or FLSIC or pledge of collateral with the appropriate Federal Reserve Bank or its designee.

3. Credit Unions. Funds shall only be invested in credit unions to the amount insured by the National Credit Union Share Insurance Fund (NCUSIF), unless excess amounts are covered by pledge of collateral with the appropriate Federal Reserve Bank or its designee.

4. U.S. Government Securities. Obligations of the Federal Government, guaranteed as to principal and interest by the U.S. Government or obligations issued by U.S. Government-sponsored enterprises. Certain securities are guaranteed by the "full faith and credit" of the U.S. Government (principal and interest) while other securities are issued by "U.S. Government-sponsored enterprises." The "U.S. Government-sponsored enterprises" were established and chartered by the Federal Government, and are sponsored by a Government agency; although they are privately owned and generally privately financed. Examples of securities that are "full faith and credit" and those that are "Government-sponsored enterprises" are listed below (not all-inclusive):

| <u>Full Faith & Credit</u> | <u>Government-Sponsored Enterprises</u> |
|--|--|
| 1. All U.S. Treasury Securities (Bills, Notes, and Bonds) | 1. Farm Credit System: a. Banks for Cooperatives b. Federal Intermediate Bank Debentures c. Federal Land Bank |
| 2. Department of Housing and Urban Development Community Development Block Grant | 2. Federal Home Loan Bank (FHLB) |

ENCLOSURE (1)

- | | |
|---|--|
| 3. Farmers Home Administration Certificates of Beneficial Ownership | 3. Federal Home Loan Mortgage Corporation (FHLMC, "Freddie Mac") |
| 4. Government National Mortgage Association (GNMA) | 4. Federal National Mortgage Association (FNMA, "Fannie Mae") |
| 5. Overseas Private Investment Corporation (OPIC) | 5. Student Loan Marketing Association (SLMA, "Sallie Mae") |
| 6. Small Business Administration: Small Business Investment Companies State/Local Development Companies | |
| 7. U.S. Maritime Administration Title XI Ship Mortgage Bonds | |

5. Repurchases of Book Entry and Certificate Securities. Repurchase agreements may be made only by the HQ MWR Support Activity and shall be limited to U.S. Government Securities made only with primary Government securities dealers designated by the Federal Reserve Bank of New York, or with banks that meet high capital adequacy standards established by the program manager. Primary Government securities dealers must meet and certify to the NAF entity their compliance with the "Capital Adequacy Guidelines for U.S. Government Securities Dealers" as published by the Federal Reserve Bank of New York. The bank must meet capital adequacy standards established by the program manager and confirmed by an independent bank rating service external to the program manager's rating procedures. Collateral must be in the amount of at least 100 percent of market value of the purchased security, plus interest. Collateral for repurchase agreements is restricted to U.S. Government Full Faith and Credit Securities. To preclude frequent calls to mark-to-the-market, collateral in the amount of 102 percent of market value plus interest is desired for U.S. Treasury Securities (Bills, Notes and Bonds). Collateral in the amount of 104 percent of market value plus interest is desirable for all other U.S. Government Full Faith and Credit Securities. Note. Reverse Repurchase Agreements are not authorized.

a. Safekeeping of Repurchase Instruments. Book entries must be wired to a third-part bank selected by the NAFI. Alternatively, securities must be delivered to a bank designated by NAFI. In either case, the instruments cannot be mingled with the assets of the bank, and the NAFI must receive a safekeeping receipt for the securities. Third-party banks must meet the same rating standards as investments banks.

ENCLOSURE (1)

b. Availability of Funds. Funds should be made available to the financial institution the day of the transaction. Interest begins on the date of the purchase and ends on the day before the transaction is completed.

6. Eurodollar. If the Eurodollar market offers significantly higher yields, funds can be deposited with a U.S. bank dealing in this market. Funds invested in eurodollars will not exceed the dollar amount insured by FDIC unless collateralized as required by DoD 1401.1M.

7. Foreign Currency. MWR activities are prohibited from speculating in foreign currency. In order to avoid speculation, whenever an MWR activity incurs a liability requiring foreign currency to liquidate, the activity is authorized and encouraged to purchase foreign currency to meet the obligation. Deposits in the currency indigenous to the country may be made in branches of United States banks, but are limited to the amounts required for current operating expenses and the amounts required for construction and severance/retirement liabilities.

8. Restrictions

a. Foreign Depositories. Investments are not authorized to be made in foreign financial institutions. Chartered affiliates of American banking institutions operating overseas are not considered foreign depositories for the purpose of this Order.

b. Maturity Limitation. The maturity on investments will generally be limited to 36 months. However, investments up to 63 months are authorized provided that they are in support of a documented capital improvement program.

9. Investment Institution Qualification Standards. Banks and savings and loan institutions will be evaluated and qualified using the following criteria prior to any deposits being made:

a. The institution must be federally insured by the FDIC or FSLIC.

b. The key financial indicators as reported by the independent rating service, TCS Enterprises, Incorporated and current financial statements provided by the financial institution will be reviewed. In order to qualify as a NAF investment institution, the key indicators must meet or exceed the following minimum standards:

ENCLOSURE (1)

(1) Total Assets. Investments will not be made in any financial institution in which the amount of the total NAF investment would equal more than 3 percent of the institutions total assets.

(2) Equity Asset Ratio. The equity to asset ratio must be at least 4 percent.

(3) Current Earnings. Return as a percentage of equity for the prior 6 months must be at least 5 percent. Return as a percentage of total assets must be positive.

(4) Foreclosure. Loan foreclosure as a percentage of total assets must not exceed one half of one percent.

(5) Broker Deposits. When other financial indicators are marginal, investments will not be made in an institution where Broker Fund deposits represent more than 5 percent of total deposits.

(6) The form used for documenting evaluations will be maintained on file and will be reviewed by the investment manager and updated at least every 6 months, for as long as investments are maintained in that institution.

(7) Appropriate action will be taken to terminate the investment whenever changes in the financial institution indicates the principle may be in serious jeopardy.

10. External Investment Management. The Headquarters MWR Activity may enter into a contract or agreement for external investment management services under the following conditions:

a. Investment instruments will be limited to "Full Faith and Credit" U.S. Government Securities and Government-Sponsored enterprises, as defined in paragraph 4.

b. The Headquarters MWR Activity will establish a third party custodial account with a bank meeting the same rating standards as an investment bank.

c. The third party custodial account will be the depository for securities managed by the external investment manager. The third party custodian will provide a monthly accounting for all transactions and securities held in the custodial account.

d. The external investment manager will arrange for the purchase and sale of securities in accordance with the procedures established in the agreement.

ENCLOSURE (1)

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e. The rate of return will be calculated as the net of investment management expense.

ENCLOSURE (1)

MATRIX OF INVESTMENT CHARACTERISTICS

| TYPE OF SECURITY | AVERAGE MATURITY | MARKETABILITY | LIQUIDITY | DEFAULT RISK | MARKET RISK | YIELD |
|--|------------------|---------------------|-----------|--------------|-------------|-------|
| Overnight Repos | 1-3 days | Not Marketable | 1 | 1 | 1 | 7 |
| Treasury Bills | 3-6 months | Broad Market | 2 | 0 | 1 | 8 |
| Federal Agency Discount notes | 60-90 days | Broad Market | 3 | 1 | 2 | 6 |
| Treasury Notes | 2-5 years | Broad Market | 4 | 0 | 4 | 4 |
| Federal Agency Debentures-- Not Fully Insured (FHLB, FNMA, SLMA, etc.) | 2-5 years | Thin Market | 6 | 1 | 5 | 2 |
| Federal Agency Debentures-- Fully Insured (OPIC, GNMA, HUD, etc.) | 2-5 years | Thin-to-Good Market | 7 | 0 | 5 | 3 |
| Insured CD's | 1 year | Not Marketable | 8 | 1 | 3 | 1 |
| Collateralized CD's | 60-90 days | Not Marketable | 5 | 1 | 2 | 5 |

LIQUIDITY refers to the ability to readily convert the security to cash with little or no capital loss. Liquidity is related to average length of maturity and to the degree of marketability. The most liquid assets have the lowest score (1) while the least liquid asset is assigned the highest score (8).

DEFAULT RISK is the risk that the principal will not be repaid in full on a timely basis. The default risk for all approved investments is minimal. A score of "0" means that the security is backed full faith and credit by the U.S. Government and has virtually no default risk. A score of "1" means that the security is not fully guaranteed by the U.S. Government, and thus has slight default risk.

MARKET RISK is the degree to which the value of the investment will fluctuate with changing market conditions, and is primarily related to length of maturity. Investments are ranked from lowest ("1") to highest ("5") market risk.

YIELD refers to the percentage interest income derived from the investment. Instruments are ranked from the highest yield ("1") to the lowest yield ("8").

SAMPLE COLLATERALIZATION LETTER

(MWR ACTIVITY LETTERHEAD)

(NAME OF BANK)
(ADDRESS OF BANK)

DEAR _____

The (Name of MWR Activity) requests that your financial institution under its designation as a depository and financial agent of the U.S. Government, pledge (collateral/additional collateral) to cover a \$_____ increase in deposits. The additional funds will be deposited after the collateral is pledged and acknowledged by the Federal Reserve Bank.

The collateral must be transferable securities guaranteed by the Full Faith and Credit of the U.S. Government. All securities pledged as collateral must have a current market value of at least 110 percent of the amount of the above deposit increase.

This collateral may be placed with the Federal Reserve Bank or branch of the district in which your financial institution is located or with a custodian designated by the Federal Reserve Bank or branch. The collateral should be accompanied by a letter stating that it is pledged as security for Government funds deposited by (Name of MWR Activity), contact person (name and telephone number), under the terms of Treasury Department circular No. 176 (CFR 202).

If you believe your financial institution currently has excess pledged collateral which may be applied to this request, please contact us at (telephone number).

(Authorized Signature)

Copy to:

(Appropriate Federal Reserve Bank)

ENCLOSURE (3)

COLLATERAL NOTICE

| | | | | |
|--|--|---------------|-------------------------------|--|
| FEDERAL RESERVE BANK OR BRANCH AT (1) | | | | |
| NOTICE NO. | | | DATE (2) | |
| <p>TO: Collateral Section, Bureau of Government Financial Operations, Department of the Treasury, Washington, D.C. 20228.</p> <p>The Federal Reserve Bank indicated above hereby acknowledges that it has this day accepted or released to the bank named below securities in the net amount indicated. The securities are of the classes outlined in Department Circular No. 176 and are held for account of the Secretary of the Treasury, subject to the order of the Commissioner of Government Financial Operations or other duly designated authority.</p> | | | | |
| NAME AND LOCATION OF BANK (3) | | | A B A NUMBER (4) | |
| VALUE OF COLLATERAL PREVIOUSLY PLEDGED BY DEPOSITARY (5) | NET CHANGE IN COLLATERAL ON ABOVE DATE | | | BALANCE OF COLLATERAL HELD AFTER TRANSACTION REPORTED HEREIN (8) |
| | INCREASE (6) | DECREASE | | |
| | | AMOUNT (7) | DATE OF TREASURY AUTHORITY | |
| AGENCY (9) | | | ALC (10) | |
| ADDITIONAL INFORMATION (if any, should be given in this space) | | | | |
| <p>AUTHORIZED OFFICER OF FEDERAL RESERVE BANK OR BRANCH ABOVE</p> <p>TITLE: _____ SIGNATURE: _____</p> | | | | |

TFS FORM 5900 EDITION OF 9-80 MAY BE USED 3-84 DEPARTMENT OF THE TREASURY - FISCAL SERVICE BUREAU OF GOVERNMENT FINANCIAL OPERATIONS

(1) Federal Reserve Bank (FRB) which is safekeeping the collateral.

(2) Date FRB prepared notice.

(3) Name of financial institution (or its correspondent) pledging collateral.

(4) Number identifying the financial institution.

(5 & 8) Total collateral pledged by financial institution.

NOTE - THIS COVERS ALL AGENCY ACCOUNTS AT THE FINANCIAL INSTITUTION. DO NOT RELY ON THIS FIGURE FOR COLLATERAL COVERAGE OF YOUR ACCOUNT.

(6 & 7) Total amount of collateral change for your account. You must use this figure to adjust your running total of collateral. The FRB will not provide a running collateral total for your account.

(9) Agency name and address.

(10) Agency ALC.

ENCLOSURE (4)